



## *the* **TRANS-PACIFIC PARTNERSHIP**

The Trans-Pacific Partnership (TPP) levels the playing field for American workers and American businesses, leading to more Made-in-America exports and more higher-paying American jobs here at home. By cutting over 18,000 taxes various countries put on Made-in-America products, TPP makes sure our farmers, ranchers, manufacturers and small businesses can compete—and win—in some of the fastest growing markets in the world. With more than 95 percent of the world’s consumers living outside our borders, TPP will significantly expand the export of Made-in-America goods and services and support American jobs.



## **Getting the Best Deal for the U.S. Auto Industry**

When President Obama took office, the American auto industry was shedding jobs by the hundreds of thousands. Today—thanks to the Administration’s support—the industry is once again leading the world, and the U.S. auto industry has added over 600,000 jobs since mid-2009, the industry’s strongest growth on record. TPP will build on that strong performance by unlocking new opportunities for exports of ‘Made-in-America’ parts, cars and trucks.

- TPP presents a **significant growth opportunity for U.S. auto exports**. Historically, U.S. auto exporters have faced a broad range of formidable barriers to export in TPP countries, particularly in Japan. TPP addresses these barriers.
- TPP includes a **range of new tools to open markets to U.S. auto exports**, while at the same time protecting our workers and firms.
- TPP **eliminates foreign taxes in the form of tariffs** on exports of Made-in-America cars and trucks. That includes eliminating Malaysia’s 30% foreign tax on autos, and Vietnam’s foreign tax of 70% on autos.
- TPP and a U.S.-Japan bilateral agreement also **address the wide range of non-tariff measures in Japan** that have kept U.S.-made autos, trucks, and parts out of this important market, including **transparency in regulations, standards, certification, financial incentives, and distribution**.

- At the same time, we get to **keep our auto tariffs on Japan in place until year 25 of the agreement. This is over 5 times longer than what we were able to secure in KORUS (in NAFTA autos were duty-free immediately).** We'll get to keep our truck tariffs on Japan in place for even longer— until year 30. That's over 3 times longer than NAFTA and KORUS. And, unlike NAFTA, our tariff cuts will be back-loaded, meaning the majority of cuts take place years from now towards the end of the phase-out period.
- TPP includes **strong and accelerated dispute settlement procedures with Japan**, above and beyond the general dispute settlement procedures. This dispute settlement mechanism includes:
  - A mechanism to **"snap back" auto and truck tariffs into place, or to delay U.S. tariff cuts on autos and trucks**, if Japan does not comply;
  - Expedited procedures and a rapid consultation mechanism to **head off any new non-tariff measures that may emerge**;
  - A special safeguard mechanism for the U.S. automotive sector to **address possible import surges**.
- **These dispute settlement procedures go beyond anything that was included in KORUS or NAFTA.** KORUS dispute settlement had no remedy to delay tariff-cuts, and only covered autos, while NAFTA included no auto-specific dispute procedures.
- TPP also includes **long phase-outs of U.S. tariffs for key auto parts** that ensure there is no disruption in incentives for long-term investment in the U.S. manufacturing base for green technologies necessary to meet fuel efficiency and environmental requirements in the coming years. These tariffs were eliminated immediately in KORUS.
- TPP includes **strong rules of origin for both autos and parts**. These rules ensure that TPP benefits will go to the United States and expand the auto industry's potential export opportunities. **These rules of origin close a gaping loophole in the NAFTA rules** which allowed companies to source parts from all over the world. They more accurately reflect the changing composition of autos since NAFTA was signed, and they are more verifiable and enforceable than those included in NAFTA.

## **What's in the Trans-Pacific Partnership?**

Learn everything you need to know about what's in the deal and who it helps.

**[WWW.USTR.GOV/TPP](http://WWW.USTR.GOV/TPP)**